

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 08-13555-scc

4 Adv. Case No. 08-01420-scc

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6 In the Matter of:

7

8 LEHMAN BROTHERS HOLDINGS INC.,

9 Debtor.

10 - - - - - x

11 LEHMAN BROTHERS HOLDINGS INC.,

12 Plaintiff,

13 v.

14 LEHMAN BROTHERS INC.,

15 Defendants.

16 - - - - - x

17 U.S. Bankruptcy Court

18 One Bowling Green

19 New York, NY 10004

20

21 June 9, 2015

22 11:06 AM

23 B E F O R E :

24 HON SHELLEY C. CHAPMAN

25 U.S. BANKRUPTCY JUDGE

1     Hearing re:     State of the Estate Presentation

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25     Transcribed by:     Sonya Ledanski Hyde

1 A P P E A R A N C E S :

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16 BY: MATTHEW A. CANTOR

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1 P R O C E E D I N G S

2 THE COURT: Have a seat. Have a seat. How are  
3 you, Ms. Marcus?

4 MS. MARCUS: Fine, Your Honor. Good morning, Your  
5 Honor, Jacqueline Marcus.

6 THE COURT: These people are here for you -- to  
7 hear you talk?

8 MS. MARCUS: Excuse me?

9 THE COURT: Are these people all here for you?

10 MS. MARCUS: I expect not. We'll see. Jacqueline  
11 Marcus from Weil, Gotshal & Manges on behalf of Lehman  
12 Brothers Holdings Inc. Your Honor, we have a very short  
13 agenda this morning, actually only one item on the agenda.

14 THE COURT: Okay.

15 MS. MARCUS: And Matthew Cantor, the chief legal  
16 officer for Lehman Brothers Holdings Inc. is going to make  
17 the presentation to you.

18 THE COURT: Okay. Thank you very much.

19 MR. CANTOR: Good morning, Your Honor.

20 THE COURT: Good morning. How are you?

21 MR. CANTOR: I'm good. I'm hoping everybody's  
22 here for your confirmation hearing and NII.

23 THE COURT: I don't know. I think all these people  
24 are here for you.

25 MR. CANTOR: May I approach the bench with a

1 presentation?

2 THE COURT: Please. Thank you. Thank you.

3 MR. CANTOR: We brought a few extra copies if  
4 anybody's interested.

5 THE COURT: I'm reserving my rights to ask you for  
6 more at a certain point as well. All right?

7 MR. CANTOR: Yes. We have as many as you like.

8 THE COURT: Okay.

9 MR. CANTOR: Good morning, Your Honor. I'm  
10 Matthew Cantor. I'm the chief legal officer at Lehman  
11 Brothers Holdings, the plan administrator for the Lehman  
12 wind-down. We had a brief -- put together a small deck here  
13 for Your Honor.

14 THE COURT: Right.

15 MR. CANTOR: To just get a sense of what's going  
16 on with the estate. I'm going to start on the cover page,  
17 because I know we had docketed this as the State of the  
18 Estate. Historically, that's what it was in this case. But  
19 the presentation is really more about what's going on in  
20 terms of the claims resolutions and the litigation  
21 recoveries.

22 THE COURT: Okay.

23 MR. CANTOR: And there's not a lot in this  
24 presentation about all the work that's going on on the  
25 business side, the asset recovery side. And that's --

1 information is -- can be -- to the extent investors and  
2 others are interested, they can see it in our public  
3 filings.

4 THE COURT: I understand.

5 MR. CANTOR: But for the purpose of this  
6 presentation -- so, I actually changed the front page from  
7 what I originally had, "State of the Estate." It's more  
8 like a plan administration update.

9 THE COURT: Plan administration update. Okay.  
10 So, just to -- so, what's not being reported here also  
11 involves additional things that will be on -- possibly on  
12 the Court's agenda going forward.

13 MR. CANTOR: Yes. There are some other things  
14 that may be on the Court's agenda going forward, for sure.  
15 And what also isn't described in here is the amount of work  
16 --

17 THE COURT: LBI.

18 MR. CANTOR: LBI, of course, which is an entirely  
19 different bankruptcy.

20 THE COURT: Right.

21 MR. CANTOR: Many people have come up to me and  
22 said, "I see you settled with Barclays." And I say, "No, we  
23 didn't settle with Barclays. LBI settled with Barclays."  
24 But yes, that's a whole different birch tree.

25 So, starting on page three, after the -- so,

1 needless to say, Lehman was an immense case. But even the  
2 wind-down, from this point going forward, is the equivalent  
3 of a mega-case. It's as big as any case Your Honor is going  
4 to have. We have more than \$15 billion of assets remaining  
5 across the estate, and that includes cash and cash in the  
6 disputed claims reserve and real estate, interest in private  
7 equity investments, recoveries from foreign-controlled  
8 former affiliates, net of the future operating expenses and  
9 excluding the litigation recoveries, which --

10 THE COURT: Right.

11 MR. CANTOR: We --

12 THE COURT: Which is the footnote there.

13 MR. CANTOR: When we report our assets, we  
14 generally exclude all litigation recoveries.

15 Contested matters: we're seeking many billions of  
16 dollars of additional recoveries for the benefit of our  
17 creditors through dozens of legal actions that will require  
18 significant allocation of Court time and Court resources  
19 going forward. There are approximately 2400 remaining  
20 claims that are disputed. They're either unliquidated or  
21 contingent or otherwise unresolved.

22 The filed amount of those claims that need to be  
23 resolved is \$68 billion, plus or minus. And, again, the  
24 resolution of those claims is going to likely require  
25 substantial Court time and resources.

1 Just so Your Honor is aware, the plan  
2 administrator's focus is on allowing appropriately sized  
3 claims. And when we face counterparties who seek inflated  
4 claims, we're duty-bound to object to those claims.  
5 Obviously we need to balance the expense of opposing those  
6 claims and the time that it takes to resolve those claims.

7 I know the Court's aware, throughout the case,  
8 since the beginning -- and we've maintained this tradition -  
9 - we have spent tremendous efforts resolving claims  
10 consensually, either through B-to-B conversations or  
11 mediation processes. Some were Court-mandated or Court-  
12 approved. Others we generally instigate on our own, even if  
13 they're not Court-mandated, because, obviously, we do our  
14 best to try and resolve everything consensually.

15 We're at the point in time in the liquidation --  
16 I'm down to 2400 claims from the over 66,000 that we are --  
17 have been resolved. These are the more intractable  
18 counterparties. So, at this point in the case, we're  
19 getting to Court. Understand it's -- it has not been  
20 without good faith efforts to resolve these things, again,  
21 on a B-to-B basis or through a mediation.

22 You know, and a lot of times these are  
23 counterparties who may have invested in claims, come up with  
24 some legal theory, good or bad, thinking there's an  
25 opportunity to make money on an investment. Oddly enough,



1 the deeper you go, as an investor, with these types of  
2 investments, the harder it is to sort of give in for less.  
3 So, the motivation is to sort of, "Let's run this out to a  
4 Court resolution."

5 Unfortunately for the Court and for us, and for  
6 the estate, it will likely -- these claims, the remaining  
7 stub, are going to require more time and more resources, and  
8 be more difficult to resolve. I'm also finding --

9 THE COURT: So, it's -- for those who aren't aware  
10 of these predicate facts that you're outlining, it's  
11 counterintuitive because of the -- if you're following the  
12 time course out from the date of the filing, day of the  
13 confirmation, one wouldn't naturally expect there to be, you  
14 know, this volume and this degree of difficulty. But it is  
15 -- it's not surprising when you lay out the predicate facts  
16 the way you have.

17 MR. CANTOR: Yes. And, you know, certainly with a  
18 -- you know, in smaller cases, it happens. But the tail,  
19 although it's tougher, usually isn't this big. This is --  
20 was a massive, massive case.

21 THE COURT: Right. Right.

22 MR. CANTOR: And, as we get deeper into, you know,  
23 more intractable counterparties, you know, just from the  
24 plan administrator's perspective, obviously we're looking to  
25 compensate for losses and appropriately, you know, size the

1 allowed claims.

2 And when we go into these negotiations, we  
3 generally -- you know, we're tethered to sort of taking a  
4 position that's reasonable, and maybe we negotiate a little  
5 bit from there. When you're in a negotiation with a  
6 counterparty who might be at the more extreme end to make  
7 some bigger recovery, it makes the simple Solomonic  
8 resolution -- it doesn't work. So, sometimes it makes the  
9 negotiations go a little slow.

10 But, back to page three, to your point that you  
11 just made, since the bankruptcy plan was confirmed in  
12 December of 2011, there have been -- this is a very exact  
13 number -- 26,813 docket entries.

14 THE COURT: Is that just in the main case, or does  
15 that count all the adversaries?

16 MR. CANTOR: I'm going to look to my counsel.  
17 That's just the main case, Candace?

18 THE COURT: That's just -- so that's just the main  
19 case.

20 MR. CANTOR: Yes. And those were -- you know,  
21 14,500 of those were transfers and dockets, but for 37,000  
22 claims that have changed hands. So, while Lehman has been  
23 very successful in alternative dispute resolution, ADR,  
24 processes and compromising claims, the remaining matters, by  
25 their nature, are those least likely to resolve without some

1 intervention by the Court.

2 Future distributions, as the assets in the estate  
3 begin to wane, become increasingly dependent on the  
4 resolution of contested matters. So, we're going to  
5 increasingly require -- be required to join issues for Your  
6 Honor to consider, engage in some discovery to help develop  
7 the facts and move the parties closer to having to face Your  
8 Honor on a decision, and potentially look for a resolution  
9 of legal disputes. And, you know, I'm going to talk more  
10 about that a little later.

11 So, accordingly, the wind-down is entering a phase  
12 during which increasingly more Court resources will be  
13 required to advance the process and provide final resolution  
14 and distribution to creditors, and which you had observed is  
15 a little counterintuitive at this stage of the game.

16 So, flipping to the next page, just so you get a  
17 picture, this is just a chart that shows the distributions  
18 that the estate has made. And you can see our last  
19 distribution in April was about a \$6 billion distribution.  
20 So, we've made great progress on getting cash out the door.

21 On the next page, you can see there have been --  
22 what this chart shows, the dollars are filed claims amounts  
23 that have been resolved in each period, or remain to be  
24 resolved in each period. I apologize, remain to be resolved  
25 in each period. You can see, all the way at the right, as

1 of April 2nd, there was \$68 billion of claims filed that  
2 need -- that we -- that are either disputed or contingent or  
3 unliquidated, that need to be resolved before we can get  
4 reserves out the door.

5 I think we've made good progress since, you know,  
6 we marked -- since the end of D4, since October of '13. We  
7 have resolved 74 -- 73 -- 74 billion, round number, since  
8 then.

9 THE COURT: So, just to keep underscoring this  
10 point and making sure I understand it, this is filed claims,  
11 claims by creditors, alleged creditors, against the estate?

12 MR. CANTOR: That have not --

13 THE COURT: So, these numbers do -- does not  
14 include affirmative litigation by the estate against third  
15 parties?

16 MR. CANTOR: Correct, Your Honor. These are claim  
17 amounts.

18 THE COURT: Claim amounts.

19 MR. CANTOR: To which -- they have not been  
20 allowed.

21 THE COURT: Right.

22 MR. CANTOR: And we need to find some resolution.  
23 Yes, they're substantial billions of dollars. Well, those  
24 are the claims right here. There's a substantial amount of  
25 recovery litigation.

1 THE COURT: Right.

2 MR. CANTOR: That, you know, we don't have a  
3 number attributed to that.

4 THE COURT: Got it.

5 MR. CANTOR: So, to the next page, just some  
6 progress. And what I think is -- you'll see that the claims  
7 litigation that you've seen, which we've identified here,  
8 give you some indication of the amount of work that it's  
9 taking to get some of the resolutions done. So, as to the  
10 first bullet, although the plan administrator continues to  
11 settle claims successfully, resolution increasingly requires  
12 joining of issues and some progress in litigation.

13 The key matters that we settled, some of which  
14 you've seen, some of which you didn't need to see because  
15 you were here and we were marching towards you --

16 THE COURT: (indiscernible) trial.

17 MR. CANTOR: Yes. In the Washington Tobacco  
18 litigation --

19 THE COURT: Right.

20 MR. CANTOR: You know, I think that case was -- it  
21 was expensive and time-consuming.

22 THE COURT: It was a week-long trial.

23 MR. CANTOR: And it was absolutely critical to go  
24 through that trial to get a resolution, and we ended up,  
25 obviously, settling after going through that. You know,

1 Canary Wharf was a very meaningful claims resolution. It  
2 was a \$780 million claim that we were able to resolve.

3 THE COURT: Giants Stadium.

4 MR. CANTOR: Giants Stadium. And, you know, there  
5 were a lot of discovery disputes and other matters that came  
6 before Your Honor before we were able to get a resolution of  
7 that. There was some make-whole litigation with the  
8 Financial Security Assurance folks, and we were able to  
9 resolve that. And FHLB Pittsburg, we were able to get that  
10 resolved.

11 But all those matters, unlike many of the prior  
12 claims, required an awful lot of not only time and effort by  
13 estate professionals but, you know, Court time. Looking  
14 forward, I expect to see more of that.

15 So, to the next page, highly -- the ADR programs,  
16 we've had some highly successful Court-approved mandatory  
17 ADR, you know, processes, and ADR processes for setting  
18 discovery procedures, because, as you know, in all these  
19 litigations, not only do we have actual litigation of the  
20 merits, but there's a fair bit of arm-wrestling in discovery  
21 disputes. And that's going to take Court time.

22 And it's something the estate needs to pursue  
23 because, from what I'm learning an awful lot of information  
24 that we get doesn't come consensually, particularly as we  
25 get down to the short straws here, but only we get to see in

1 the discovery. And we'll give you some examples of that  
2 later.

3 But since the inception of the protocol, the  
4 estate's received -- achieved 410 settlements with 527  
5 counterparties, resulting in approximately \$2.9 billion of  
6 resolutions. Since the last date of the estate, we've  
7 achieved 91 settlements with 109 counterparties, and we've  
8 resolved about \$740 million of claims.

9 The mediation process, which has been in place for  
10 a long time, relating to derivatives matters, as of just  
11 recently, June 5th, we're at 94 percent of the Tier One ADRs  
12 that have been through that process have been resolved  
13 without requiring to go to Your Honor. But, obviously, when  
14 you have a big number to start with, even a small percentage  
15 leaves an awful lot of work that ends up in Court.

16 THE COURT: Right, but that's a remarkable number,  
17 the 94 percent, in terms of a successful process.

18 MR. CANTOR: Thank you, Your Honor. Within the  
19 past year, we've established two new ADR protocols: the  
20 private label protocol, dealing with the RMBS claims, which  
21 I'll talk a little bit more about; and then we have the  
22 downstream, you know, pursuing the recoveries to the  
23 indemnifications of the losses that we suffered facing the  
24 GSEs. And those processes move forward, creaky at times,  
25 but they're working.

1           We -- you know, the other process we have, we call  
2           the SPV, you know, Phase Two. I'm sure Your Honor's heard,  
3           but Judge Failla --

4           THE COURT: Yes.

5           MR. CANTOR: Had determined, in the motion  
6           withdrawing the references related to that matter, that the  
7           referent should remain with Your Honor.

8           THE COURT: Right, including for the determination  
9           of the class certification issues.

10          MR. CANTOR: Including the determination of class  
11          certification issues. I think, just from listening to the  
12          judge reading the ruling, certainly concluded that the main  
13          issues there were bankruptcy issues. Some of the other  
14          issues were more like maybe the non-bankruptcy issues were  
15          the tail wagging the dog.

16          That being said, the judge felt that the  
17          Bankruptcy Court certainly could handle all the issues  
18          there, the issues relating to the Ballyrock and  
19          (indiscernible) decisions, and the applicability of those  
20          decisions certainly should remain with Your Honor. And she,  
21          you know, recognized the Bankruptcy Court is the appropriate  
22          forum for sort of making some determination as to what those  
23          decisions mean as they relate to the Phase Two matters.

24          So, needless to say, we're happy with that  
25          decision and look forward to moving forward with that



1 process.

2 THE COURT: I think that there are -- probably  
3 can't count them on one hand, the number of motions to  
4 withdraw. I think, by my count, they've all come back at  
5 you. Virtually all of them have come back down here. I'm  
6 not aware of any additional ones that are still pending and  
7 unresolved at this point. But I could be missing something,  
8 but. If you could keep your voice up a little bit, I'm  
9 getting feedback, Mr. Cantor.

10 MR. CANTOR: Got it.

11 THE COURT: That folks on the phone cannot hear  
12 every word that you're saying.

13 MR. CANTOR: I will do that. So, remaining  
14 matters, on page eight.

15 THE COURT: Right.

16 MR. CANTOR: So, as I mentioned, there's more than  
17 66,000 -- there have been more than 66,000 disputed claims  
18 that have been resolved. There's 2400 claims that are  
19 seeking to recover more than 68 billion that need to be  
20 resolved.

21 We have a game plan on how we want to address  
22 these claims. We've been implementing a game plan at least  
23 since the company emerged from bankruptcy. The new board,  
24 and acting as plan administrator, we have a game plan on how  
25 we want to approach this. We have been prioritizing issues

1 for Your Honor. We've -- and we're going to continue to do  
2 that, trying to bring forward the things that we think will  
3 be most effective in resolving the remaining issues.

4 Constant --

5 THE COURT: I think it's also -- and I'd like to  
6 point out a large majority of your focus is what I call the  
7 big ticket, complex items, which I understand. But also  
8 remaining, which I've seen a large number of, are individual  
9 claims, with individuals who may or may not be represented  
10 by counsel, a lot of not represented by counsel, and who  
11 have claims that have not only a monetary component but have  
12 an emotional component.

13 And it's very important -- and I've tried very  
14 hard to make each and every one of them, when their turn  
15 comes, to feel that they've been heard and that they've been  
16 given a fair treatment, you know, win or lose. And I think  
17 that's important for them to feel that the Court has heard  
18 them, but also that the folks working for the plan  
19 administrator have heard them.

20 And I think, pretty consistently, they feel that  
21 their needs and concerns have been responded to, and a lot  
22 of patience and resources have been spent. So, I'm  
23 appreciative of that. And I think it's just worth noting  
24 that, in those remaining claims, I would guess there are  
25 undoubtedly, you know, some of those folks.

1 MR. CANTOR: Yeah.

2 THE COURT: And that's true in the LBHI estate,  
3 and it's also true in the LBI estate.

4 MR. CANTOR: Yes, Your Honor, which is -- and the  
5 next point I was going to make was, obviously, in  
6 prioritizing things, just so the Court understands, on the -  
7 - but, by expressing that, you know -- we are constantly  
8 engaged in a process with our creditors, trying to resolve  
9 things consensually, constantly sharing information,  
10 listening to our counterparties' thoughts on the appropriate  
11 resolutions.

12 And really we spend an awful lot of time trying to  
13 get things done in a way that it really feels like they have  
14 an opportunity to be heard by the plan administrator, their  
15 thoughts have been considered. And, you know, to the extent  
16 we can compromise, we do, within reasonable limits.

17 And I know one of the issues that has been, you  
18 know, our interest in sometimes bringing to Your Honor legal  
19 issues that we think will break logjams in major  
20 litigations. And we have heard, loudly and clearly, and we  
21 think the Court has appropriately indicated, you know, most  
22 of the time, disputes need to be all resolved at once, at  
23 the end, either by the Judge or by the parties. And there's  
24 a disinclination to deal with one-off legal issues. And we  
25 recognize that.

1 And we're also appreciative, in those special  
2 circumstances, we're able to get some jurisprudence on legal  
3 issues, because there are a fair number of novel legal  
4 issues in the disputes we have. And sometimes it makes it  
5 hard to get a resolution, when you're facing investors who  
6 have a thesis that it needs to come out a particular way to  
7 make a return.

8 So, currently, there are about 550 claims subject  
9 to pending objections. So, the major obstacles that we've  
10 laid out here that we see going forward is we have, I had  
11 mentioned, opportunistic counterparties. Maybe the words  
12 could have been a little softer.

13 But there is some tension out there where  
14 counterparties recognize we're trying to get money out the  
15 door while at the same time get fair results. And  
16 sometimes, folks hold their breath, hoping they'll get  
17 better than they're entitled to. And that's really a  
18 tension we wrestle with, and we hope we can get through the  
19 Court process as fast and as efficiently as possible.

20 With the remaining derivatives claims -- and  
21 you'll see, with the big bank litigation, I mean, there's  
22 very meaningful valuation disputes. You saw that in the  
23 Washington Tobacco litigation. When those types of matters  
24 have to resolve by the Court, those are trials. Very  
25 specific facts, can be expensive and time-consuming.

1           Lastly, I think we're at the point in time in the  
2           case that there are contingent claims, either contingencies  
3           where the estate's exposure will be reduced or eliminated  
4           because there's another counterparty who will be paying, or  
5           there's some subsequent event that we have to wait for. And  
6           I know the Bankruptcy Code empowers the Court to help us  
7           resolve those things without waiting for the contingencies  
8           to occur.

9           THE COURT: Right.

10          MR. CANTOR: We're going to begin bringing those  
11          matters before Your Honor for consideration, in the hope  
12          that we can clean up those remaining claims, because, like I  
13          said, our goal is to get the claims done and be done.

14          So, I've -- for the remainder of the presentation,  
15          I have broken up the five broad categories, the last  
16          category being "Other." So, if we flip to the next page,  
17          there's the derivatives book, which is, you know, sort of  
18          like the Washington Tobacco litigation and those types of  
19          litigations.

20          So, there are 22 pending adversary proceedings or  
21          objections on the docket involving the estate's derivatives  
22          counterparties. There are at least 15 additional  
23          derivatives counterparties that are likely to be brought  
24          before the Court to require some judicial interaction.  
25          They're based upon our -- you know, we're constantly

1 negotiating with these folks, and, you know, our best  
2 estimate is about 15 additional ones we're going to need to  
3 get into Court and have some help from the Court.

4 Each derivatives dispute involves millions of  
5 dollars. Each of these are factually unique, involving  
6 anywhere between one derivatives transaction and up to tens  
7 of thousands of transactions.

8 In many cases, we're facing counterparties who've  
9 employed a variety of methods to inflate their claims  
10 relative to other comparable claims and make a profit from  
11 the bankruptcy. The types of things we're seeing with  
12 counterparties who submit loss calculations that generate  
13 claims in amounts far in excess of their actual loss.

14 And again, we're focusing -- because the law here  
15 is somewhat open or novel, we try at the estate to get a  
16 sense of what was the actual loss the counterparty suffered.  
17 Obviously, we have counterparties that may have a view as a  
18 matter of law there's a liquidated damage that entitles them  
19 to more, and that's sometimes where the majority dispute is.  
20 We're trying to limit the estate's exposure to what the  
21 losses were.

22 We have counterparties that, you know, calculate  
23 the close-out, supplying a time of day or a date that  
24 maximizes their loss regardless of when the actual  
25 termination occurred, or when they chose to terminate -- the

1 date that they chose to terminate the trades, or how they  
2 actually managed their portfolios. We have counterparties  
3 who make claims based on hypothetical loss calculations,  
4 even though they replaced the trades, in an effort to  
5 withhold proceeds.

6 I think we have a couple -- there's one -- I think  
7 it's Alexandria, Lcor Alexandria. We filed our complaint.  
8 You'll see there, there was an effort to sort of fabricate  
9 some trades to make the -- to make some profits on the  
10 terminations.

11 THE COURT: Or so you allege.

12 MR. CANTOR: Or so alleged. The other one -- you  
13 know, we had this FHLB New York. It's not just investors,  
14 but it's sort of bigger agencies where we've found that  
15 claims were presented showing us the losses, but didn't  
16 really come forward with trades that made profits. So,  
17 they're going to attempt to maybe collect on the losses but  
18 not show where the money was made. And --

19 THE COURT: Again, so you allege.

20 MR. CANTOR: So we allege. And that was -- you  
21 know, that was an example of a situation we didn't really --  
22 weren't able to find that out until we ended up in  
23 discovery. But those are the kind of things that we're  
24 bringing forward, counterparties that net offsetting trades  
25 and related risks in the ordinary course of business but

1 don't want to net it out when they show us the claims, so we  
2 allege.

3 This is one of the places where we're going to see  
4 a constant tension between the -- what a litigant might see  
5 as the efficiency of dealing with a discrete legal issue and  
6 a judge might see the value of requiring the parties to go  
7 through a whole process and reach (indiscernible)  
8 resolution. And I think, you know, you may hear more from  
9 us on that.

10 THE COURT: Okay.

11 MR. CANTOR: And we completely respect Your  
12 Honor's jurisprudence on that.

13 THE COURT: Okay.

14 MR. CANTOR: But it's case-specific.

15 THE COURT: Then the next page, 10, looks like  
16 it's the backup to the 22 number.

17 MR. CANTOR: Yes. So, on page 10 is the backup  
18 for the 22. And, again, you can just see just how many --  
19 and, you know, each one of these, if you remember how much  
20 time and effort the Washington Tobacco case took.

21 THE COURT: I do.

22 MR. CANTOR: So, there you have 22, potentially  
23 more. Obviously, each one is unique and different.

24 Turning to page 11, the next group are the -- what  
25 we call the big bank litigation. And so, those are massive



1 derivatives-related and securities valuation disputes. So,  
2 within each one of those three, right, there's more than --  
3 well, in total, there's more than 125,000 trades.

4 So, you know, not only do we have the prospect of  
5 three Washington Tobacco trials times thousands, but it'll  
6 be three potentially all at the same time. So, you know,  
7 while we are working hard to resolve those matters, that  
8 could be a massive requirement on the Court's time and  
9 resources.

10 Now, these were -- you know, in 2011, there were  
11 originally 13 of these big bank trades.

12 THE COURT: Right.

13 MR. CANTOR: In 2011, the estate was able to  
14 settle 10 of them. The big bank counterparties is you have  
15 Citibank, JPMorgan, and Credit Suisse. They were all  
16 offered the same opportunity to settle the other banks, and  
17 they didn't take it. One --

18 THE COURT: So, we're just -- we're already in  
19 2015. We're halfway through 2015, astonishingly, right?

20 MR. CANTOR: Yes.

21 THE COURT: So -- and I know I've begun to see  
22 2016 and 2017 dates. So, that's -- we're looking at 2016,  
23 2017, and beyond, (indiscernible).

24 MR. CANTOR: Well, yeah, I mean --

25 THE COURT: I mean just in terms of the sheer fact

1 that there are only 24 hours in a day and 365 days in the  
2 year.

3 MR. CANTOR: Yes. I mean, current schedules,  
4 dispositive motions in the Citi and JPM cases will happen  
5 around the summer, second half of 2016.

6 THE COURT: Right.

7 MR. CANTOR: So, unless we run the board and win  
8 that, the dispositive motions, you know, it'll be longer  
9 than that.

10 THE COURT: Okay.

11 MR. CANTOR: So, unlike the other big banks, you  
12 know, Citi and JPM, they were in receipt of billions of  
13 dollars of Lehman's prepetition cash, against which they  
14 assert security interests. So, having had the cash, maybe  
15 that's one reason why it didn't settle. You know, when we  
16 get there, you'll -- you know, issues of comparing actual  
17 losses against liquidated damages are going to be really  
18 meaningful there, where the estate's going to stay focused  
19 on actual losses.

20 And then I guess it's not shocking that the  
21 counterparties' claims grew to just about where their cash  
22 collateral was. And certainly that'll be an issue we're  
23 going to present. But, again, there's a lot of novel issues  
24 of law that are going to need to be resolved if we don't get  
25 those things settled.

1 Turning to page 12, if you might indulge me, so,  
2 in the JPM case, we have multiple claims objections, and  
3 those are pending before Your Honor. The plan administrator  
4 contests the amount of JPM's claims, the validity of its  
5 collateral security, the methods by which it liquidated  
6 collateral security, among other things. The plan  
7 administrator has also asserted affirmative claims against  
8 JPM, but those are pending before Judge Sullivan in the  
9 District Court.

10 The plan administrator seeks a multibillion-dollar  
11 claim reduction/recovery -- since, right, these creditors  
12 have our cash -- in each of the two largest and most complex  
13 objections. In particular, the plan administrator's  
14 objected to JPM's \$2.3 billion derivatives claim relating to  
15 the termination of a 75,000-trade portfolio. This objection  
16 is going to require massive discovery effort, which is now  
17 underway.

18 In addition, the plan administrator has objected  
19 to JPM's deficiency claim, which alleges that tens of  
20 billions of dollars that JPM held in LBI collateral --  
21 that's the -- right, the other estate -- was insufficient to  
22 satisfy its credits extension for clearing, and required the  
23 provisional application of over \$6 billion of holdings cash  
24 collateral that was posted.

25 We're challenging the adequacy of the credit that

1 JPM gave to LBI for approximately 4,000 securities that JPM  
2 held as collateral. This will also involve a massive  
3 discovery effort and lengthy hearing if it can't be settled.

4 And the plan administrator has also objected to  
5 several miscellaneous claims, including JPM's closeout of a  
6 secured lending, where it applied over \$2 billion in cash  
7 collateral. And while the estate is attempting to resolve  
8 these objections consensually, it's likely that some of it  
9 is going to require the Court's time and resources.

10 Based on the current schedules, dispositive  
11 motions in the derivatives case -- that's the objection on  
12 the derivatives claim -- will be filed around June of next  
13 year. And dispositive motions in the (indiscernible) case  
14 will be filed around September next year.

15 The next big bank matter is Lehman Brothers  
16 Holdings against Citi. And there, Citi demanded and  
17 received more than \$2 billion from Lehman prior to the  
18 bankruptcy. I know Your Honor's heard most of this. The  
19 connection with our objections relates to post-petition  
20 interest.

21 THE COURT: Right.

22 MR. CANTOR: And they also sought to seek off that  
23 cash against claims. The plan administrator contests Citi's  
24 claims and the validity of its right to set off of its  
25 entitlements post-petition interest. The litigation is well

1 underway. Depositions are ongoing. We're seeking to  
2 recover more than \$2 billion from Citi. And based upon the  
3 scheduling order, dispositive motions will occur by the  
4 summer of 2016, just about the same time in the JPM case.

5 Lastly is Credit Suisse. They filed claims -- it  
6 filed claims totaling approximately \$1.2 billion relating to  
7 nearly 30,000 derivatives trades with Lehman. We contend  
8 that Credit Suisse failed to properly determine the closeout  
9 amounts because of the early termination date and filed  
10 inflated claims. We're seeking to reduce those claims, and  
11 we actually seek an affirmative recovery. Dispositive  
12 motions are also due in -- will be due in January of 2017.

13 So, that's the big bank litigation. The next  
14 major, major matter is the private legal RMBS dispute, which  
15 I know Your Honor is very familiar with. I wanted to lay it  
16 out for you, where we are.

17 So, right, various trustees asserted claims in the  
18 aggregate of more than \$37 billion against LBHI and SASCo,  
19 based upon the trusts' alleged right to put back to Lehman  
20 mortgages with material and adverse breaches. And those are  
21 405 trusts that filed those claims. Pursuant to an agreed  
22 order, after a lengthy hearing before Your Honor, the plan  
23 administrator maintains a \$5 billion disputed claim reserve.

24 In December of 2014, the Court approved a protocol  
25 to resolve the claims. Under the protocol, the trustees

1 have indicated they will review approximately 200,000  
2 mortgage files and deliver files containing material and  
3 adverse breaches. The first 50,000 files were due to be  
4 delivered by the trustees by June 30, 2015. We'll be having  
5 a status conference -- I think it's on next month, to give a  
6 report on how it's going.

7 THE COURT: I think it is, yes.

8 MR. CANTOR: The protocol allows a five-phase  
9 process, four of which will be out of the Court's purview,  
10 although I suspect there'll be some disputes now and again  
11 that will require us to come back. And each of these things  
12 require considerable time and expense. Step five of that  
13 process will require the Court to review and approve the  
14 amounts of claims that would be posed by the claim  
15 facilitator after we have an opportunity to go through a B-  
16 to-B process --

17 THE COURT: Right.

18 MR. CANTOR: With the trustees, then the  
19 mediation. The entire review by the RMBS trustees is due to  
20 be completed by March 31, 2016. The Court -- Your Honor  
21 will review the amount of any RMBS claim that is subject to  
22 an objection via the plan administrator of the trustee. And  
23 that'll be allowance -- subject to allowance by the Court.

24 THE COURT: So, entirely hypothetically, there  
25 could be 200,000 of them.

1 MR. CANTOR: Yes. And, you know, I'm hoping we  
2 can get that resolved. But if not, it could be a -- you  
3 know, a massive, massive project. And what's interesting is  
4 this is going on in Courts all over the country.

5 THE COURT: All over the country, correct.

6 MR. CANTOR: In lots of different matters.

7 THE COURT: Right.

8 MR. CANTOR: And, you know, in this case, I think  
9 we're going to be facing some issues that are going to have  
10 real meaning across the country, because, you know, in the  
11 process that we've set up, you know, the trustees need to go  
12 identify the claims or the breaches, and they need to show  
13 us those claim files. We have an opportunity to test  
14 whether or not the information that supports the breach is  
15 there.

16 You know, we're also going to test the trustees'  
17 ability not only to pull a file that they say has a breach  
18 in it, but to also pull a file and test where there's a  
19 breach in it, and also determine whether or not there's  
20 enough proof to go become a burden of persuasion to even  
21 present a claim. You know, it's one thing to say that it  
22 looks like there was a breach there. It's another thing to  
23 present a claim and a claim file and present evidence that  
24 you need to bring prima facie to the Court to collect.

25 And then there's the whole other issue --

1 THE COURT: Well, it's -- to your point about  
2 these cases pending all over the country, they are pending  
3 all over the country. And it should come as no surprise  
4 that I -- whenever I see the report of one of them, whether  
5 it's in the Southern District or elsewhere, whether it's  
6 involving Lehman or not, I'm attempting to keep up with the  
7 jurisprudence as it develops, because it's incredibly  
8 complex, I think.

9 MR. CANTOR: I do, too, Your Honor. You know, one  
10 of the issues with these three words, "material and  
11 adverse," and, you know, we just saw it -- you know, you see  
12 Courts thinking about what that means in the context of  
13 causality, in terms of, you know, does the breach lead to  
14 the loss, or should it lead to the loss?

15 You know, I think back in terms of the way I'd  
16 been thinking about it is whether or not -- you know, in  
17 contract law, we lean into that. We think about: is the  
18 loss reasonably foreseeable from the breach? You know, and  
19 maybe we're able to get away from the words "causality."

20 But we're going to -- if we can't resolve this, we  
21 have, I think, some very interesting ways to look at this  
22 that only -- you know, not only, but that bankruptcy lawyers  
23 and practitioners think about loss and think about fair  
24 outcomes and think about what someone's entitled to recover,  
25 and maybe get away from sort of the law of bigger numbers.



1 But these are going to be massive legal issues, and which  
2 we're going to do our best to resolve it consensually.

3 So, the second-to-last bullet, in view of the  
4 magnitude of the dollars at risk, the legal and factual  
5 issues in dispute, and the failure of a prior mediation --  
6 we have tried to mediate this before with the trustees, and  
7 we continue to try to resolve this -- the matter is likely  
8 to require a significant amount of the Judge's -- Your  
9 Honor's time.

10 We anticipate, following the claims review of the  
11 parties and initial efforts to resolve disputes through the  
12 ADR process, the number of specific legal and of factual  
13 disputes will need to be submitted to the Court for  
14 determination before the parties can make further progress  
15 toward settlement.

16 In the context of the -- you know, the private  
17 label process, we have the follow-on from the Fannie Mae and  
18 Freddie Mac settlement, which is the downstream process,  
19 which I know Your Honor is familiar with. Your Honor set up  
20 the ADR process to try and help us engage in a process with  
21 counterparties to resolve these things, or these claims,  
22 these recoveries.

23 THE COURT: Right.

24 MR. CANTOR: Without the need for Court time.

25 We've actually -- there's -- at that time, there were

1 approximately 3,000 parties estimated to be in that  
2 protocol. We are having some success resolving things  
3 consensually.

4 But to my original point about having some  
5 intractable counterparties, we've seen some counterparties  
6 willing to spend thousands and thousands of dollars to try  
7 and get out of a mediation process, rather than spend fewer  
8 thousands to come try and work it out with us. I suspect  
9 we'll probably see more.

10 But, you know, the two examples we -- I laid out  
11 here for Your Honor was the Home Trust and the LHM attempts  
12 to undo the process by challenging our rights to recover  
13 based upon expiration of statute of limitations or attacking  
14 the validity of our assignments.

15 THE COURT: The standing. Right.

16 MR. CANTOR: And hopefully --

17 THE COURT: Well, in that case, to your point  
18 about that 40 minutes go, there was a decision that was  
19 rendered disposing of those issues.

20 MR. CANTOR: And I think that's gone a long way to  
21 help get everybody in a room to work these things out. But  
22 these things are also likely to require a lot more of your  
23 time.

24 Potentially, I guess there might be downstream  
25 claims that came out of the private label resolution, which

1 might look a little like the GSE litigation, or it might  
2 not. And I certainly want to make it crystal clear that  
3 there's no clear view on how that rock rolls down the hill.

4 So, on page 16, this is the contingent claims I  
5 was talking about. We're going to file a motion tomorrow to  
6 begin kicking off our attempt to deal with that part of the  
7 tail in this case.

8 THE COURT: Okay.

9 MR. CANTOR: So, a huge portfolio of the remaining  
10 claims relate to guarantee claims that relate to claims  
11 allowed against affiliates, right? The holding company --

12 THE COURT: Mm hmm.

13 MR. CANTOR: Counterparties allege guaranteed  
14 things. Maybe it did; maybe it didn't. So, those claim  
15 allowances were not under the administration of this plan  
16 administrator or your Court's oversight. We call those non-  
17 controlled affiliates.

18 So, we have about \$11.6 billion in claims filed,  
19 representing about 1600 claims. So, we have solvent non-  
20 controlled affiliates.

21 THE COURT: Right.

22 MR. CANTOR: At LBIE being one of them. So, the  
23 largest remaining group of claims against the estate are  
24 contingent claims lodged against LBHI for this guarantee of  
25 LBIE estate's obligations.

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Now, LBIE has already paid the full principal amount of these guaranteed claims -- allegedly guaranteed claims, and has the wherewithal to pay post-bankruptcy interest on these claims. I think the public market for these claims, if you look at your Bloomberg screen, the way you could trade these things, you could sell for more than your (indiscernible) interest.

So, we're going to suggest they would -- the estate's obligation really is nothing, because a creditor holding that claim, the -- can be paid in full, or has been paid in full, has, you know, no entitlement here. And we're going to ask the Court to estimate those claims. I'm sure there will be an objection here and there to the estimation of those claims.

THE COURT: I'd imagine so.

MR. CANTOR: And there may not be on some. For the -- for understanding what we may need of the Court's time and resources, absent an estimation of those claims, were we to have to deal with each of those claims, there's going to be discovery, investigation, and then potentially litigation over the validity of the guarantees, the alleged guarantees.

And that's going to be complicated, because huge volume and frequency of trading these claims over the years.

1 And to the extent guarantees are alleged, as to one  
2 counterparty, when they trade it away, there'll be issues  
3 about who has the rights.

4 Then there's going to be an issue about the  
5 determination about the allowable amount of these claims.  
6 And while they may have been resolved in another Court  
7 proceeding, I'm not altogether sure that means they're  
8 allowed here.

9 Then there's going to be an -- since we have no  
10 real visibility into the amount that these counterparties  
11 received on account of these claims, since we're -- the  
12 estate's not going to be certainly responsible for paying  
13 more for these (indiscernible) to be paid in full, we're  
14 going to have to have some discovery about what they got  
15 from those other cases.

16 And then, to the extent that -- were there to be a  
17 determination that there was a guarantee and an allowed  
18 claim, and there was a comfort that we knew how much a  
19 counterparty was paid, then there's going to be some  
20 litigation if the estate is going to pay a counterparty that  
21 we have a satisfactory assurance that any overpayments that  
22 that counterparty receives, after we pay, come back to us.

23 So, I don't know how, again, that rock rolls down  
24 the hill. But there's certainly a real risk of a need for  
25 Court time and resources, depending upon how the estimation

1 process goes.

2 Similarly, there are non-controlled affiliates  
3 that are insolvent, where there is an entitlement if a valid  
4 guarantee is paid. And, you know, LBF -- it's the Swiss  
5 liquidation, we're going to need to resolve claims asserted  
6 in this case, potentially valuation disputes, because,  
7 again, we're not a party to or in agreement with the  
8 allowance of that claim in the context of the foreign  
9 proceeding, we're going to likely challenge it here if we  
10 can't get a claim value that we think is appropriate.

11 When I drafted this deck, every time I sent it  
12 around for a comment, everybody said I need to put this in  
13 core litigation, which is the next bullet on the RMBS page.  
14 And I would say, "No, I put it there for a reason."

15 So, we filed our Syncora papers. I know we were  
16 here over a year ago, trying to deal with the reserve on  
17 account of that claims for subordination motion. We spent  
18 the better part, since then -- better part of time since  
19 then trying to resolve this matter.

20 It is extremely complicated, because it not only  
21 is fundamentally an issue of an allowance of a put-back  
22 claim, but it also raises the issues that I just described  
23 in this Libby guarantee issue, which is Syncora, who's  
24 lodged, I think it's down -- we're reserving at 600 million  
25 bucks, thereabouts -- in all likelihood, if there is a valid

1 put-back claim, that put-back claim is against the  
2 originator of that loan, Greenpoint Mortgage, who the  
3 trustee, U.S. Bank, for the trust that Syncora wrapped, has  
4 sued in New York State Supreme.

5 So, at least within the estate, we're looking at  
6 reserving against the \$600 million claim, where there is,  
7 first and foremost, if there is a valid claim, the  
8 likelihood of recovery from Greenpoint, which would mean  
9 Lehman shouldn't be reserving anything. And if Lehman is on  
10 the hook, we have a \$5 billion reserve against all the  
11 trusts -- and, again, if there's an allowance and a payment  
12 on account of this claim.

13 So, we're sort of reserved in a bunch of different  
14 ways that relate to this claim. But it is very complicated,  
15 because we're -- you know, many of the -- at least the most  
16 important issue as to whether or not Greenpoint's on the  
17 hook, that's been placed in front of a New York State judge.  
18 But it's a fundamental, an essential, to determining the  
19 estate's obligation in this bankruptcy case.

20 So, all of that will be before Your Honor. I  
21 think we're back in here on next Thursday, on the 18th, to  
22 begin dealing with that.

23 And, again, you know, the reason why this is last  
24 and I called it my Post-it job, because there's also issues  
25 that, although the claim is being shown at 600, from going

1 through Syncora's publicly disclosed financial information,  
2 I think we'll be able to show that the actual exposure, even  
3 if it were reserved twice and should be estimated, is way in  
4 excess of any exposure they're going to have, because their  
5 risk has been commuted. But we'll get to that.

6 But, you know, I end with Syncora because that's a  
7 perfect example of, again, one of the largest remaining  
8 claims, disputed claims, which is delaying the plan  
9 administrator from distributing reserve cash, is Syncora's  
10 claim for losses experienced in connection with the private  
11 label trust, matters currently pending before Your Honor.  
12 It's going to require significant judicial time and  
13 resources.

14 But, again, although the underlying dispute  
15 relates to losses relating to the private label trust there,  
16 the plan administrator views this as a contingent claim,  
17 which the reserve is unnecessary.

18 The last page is some pending other claims, to  
19 which you had alluded to, beyond the four big buckets that I  
20 think is, you know, the way we --

21 THE COURT: Right.

22 MR. CANTOR: Which is, you know, we have the  
23 Spanish Broadcasting dispute.

24 THE COURT: Yeah.

25 MR. CANTOR: And I won't go into --



1 THE COURT: Right.

2 MR. CANTOR: Great detail. You have the Stonehill  
3 claim, which has been --

4 THE COURT: Yeah.

5 MR. CANTOR: Bit back with another position.

6 THE COURT: Right. Right, and the (indiscernible)  
7 interest, post-petition interest issue.

8 MR. CANTOR: Right, the post interest issue. I  
9 didn't list -- you know, there was Dr. (indiscernible), who  
10 came with a late claim on big numbers, maybe not big numbers  
11 in Lehman land, but big numbers in reality. There were some  
12 tail preference claims and other little actions here and  
13 there.

14 But suffice to say there's an awful lot left here.  
15 I don't want to minimize how much has been done, because  
16 there's really a tremendous amount done. But that's the --

17 THE COURT: No, I think that it's (indiscernible)  
18 -- that there not be any sort of a takeaway from here that  
19 there hasn't been an enormous amount done. But I think that  
20 there's been an enormous amount done. There's been an  
21 enormous amount of success and recovery for the  
22 constituencies of the estate.

23 Your familiarity with the detail, not to embarrass  
24 you, is remarkable in the sense that it -- I think it's a  
25 reflection of what an enormous process it is and how well

1 it's managed. And it's not simply, as it may have been in  
2 the beginning, just the Weil firm, although I certainly  
3 still see the Weil firm on a regular basis. But there are a  
4 number of firms obviously handling the litigation, a number  
5 of professionals.

6 And it's evident to me that there's good  
7 communication between and among them, which my staff very  
8 much appreciates, because we like to run a smooth ship to  
9 the extent that we can. And we try our very best to  
10 accommodate you folks and the LBI folks. Sometimes there  
11 are an alarming number of days on my little calendar that  
12 say Lehman.

13 But I hope you agree with my perspective that we  
14 are -- we always try to accommodate you, even though there's  
15 only one of me and so many of you. We always try to  
16 accommodate you and manage things within reason.

17 There are, on my watch -- I'm going to stumble on  
18 the current count, but I think in the realm of about only  
19 three decisions that are sub judice. So, we try very hard  
20 to keep up and not have there be a backlog in terms of  
21 having a matter and getting it out to you.

22 Sometimes matters are tried, as was the case with  
23 the Washington State Tobacco settlement, that they're  
24 already tried and then goes into mediation. So, those may  
25 get put on hold. Sometimes things get tried and there's a

1 delay with their final presentation.

2 But, for our part, I just think it's important to  
3 communicate to you that, notwithstanding, you know, the  
4 limitations on our resources, we are -- our commitment to  
5 you is to move as quickly as you move so that you can  
6 continue to make distributions to the creditors.

7 I will tell you, which you may have heard through  
8 the grapevine, I guess this being a season of change,  
9 generally, in ways that are -- cause us to reflect, Ms.  
10 (indiscernible) will be leaving me at the end of the month.  
11 I don't think she's here.

12 MR. CANTOR: No, I think that's --

13 THE COURT: I think she's with Judge Garrity this  
14 morning.

15 MR. CANTOR: Right.

16 THE COURT: Was that Ms. Eisen losing color in her  
17 face? Ms. (indiscernible) will be leaving the Court after  
18 serving here under Judge Peck, I think, since the second  
19 year of the Lehman proceeding, probably has more knowledge  
20 of the Lehman case than anyone. Anyway, she will be moving  
21 on to something else. Possibly I will be able to retain  
22 some part of her. I'm trying my best. And, you know, I  
23 give you my promise that it will not cause any disruption in  
24 the conduct of the case.

25 But to say that I'm going to miss her is an

1 enormous understatement, and I will try my best to have her  
2 here at what would be her final hearing so that I can  
3 embarrass her while she sits here. But I'm sure you've had  
4 -- you've all had a lot of interactions with her.

5 MR. CANTOR: Yes, she's been awesome. I'd like to  
6 check on your --

7 THE COURT: The stream of paper is remarkable on a  
8 daily basis.

9 MR. CANTOR: Yeah, and just we've both been doing  
10 this for a long time. It's two things. It was remarkable  
11 to me to see the -- not only is it sort of a -- there's a  
12 decent number of people at the estate, but the quality and  
13 intensity of the work effort of the remaining people at  
14 Lehman is amazing. And the analytical abilities and care  
15 with which they deal with every claim and every matter is  
16 really extraordinary and something I've never seen before.  
17 The folks that came on the board have been extremely  
18 energetic and very quickly learned everything about this  
19 estate, and have also done a great job.

20 But I would say, again, with a lot of judges and a  
21 lot of chambers, and over the years -- but yes, your  
22 chambers has been extraordinarily helpful in helping us move  
23 this thing forward, have been there all hours of the day and  
24 night, at any time, to help us move things forward. And we  
25 greatly appreciate that.

1 THE COURT: One thing, also, that I'm sure you're  
2 aware of, a propos of my comment earlier about the smaller  
3 creditors: many of them have the perception that it's them  
4 against, quote/unquote, "Lehman." And one of the things  
5 that it's important to always remind them and explain to  
6 them is there is no Lehman. There's just the Lehman  
7 creditors.

8 And I think where you started and where I'll  
9 invite you to finish, since I have the rest of these folks  
10 waiting to get started, is that you said at the top that's  
11 your job now, is managing the assets, managing the  
12 recoveries, managing the claims, in order to ensure that  
13 everybody gets their fair distribution out of the assets.  
14 And, you know, you are certainly Lehman, but there is no  
15 Lehman in that sense.

16 I often tell them, you know, Lehman doesn't always  
17 win, Lehman doesn't always lose, and I explain this to them.  
18 And it's clear that many of them simply don't -- you know,  
19 don't understand that, whereas of course the sophisticated  
20 parties do understand that, so. Is there anything else?

21 MR. CANTOR: No, and I won't read the conclusion  
22 page to you. It's there. But, again, we're very grateful  
23 for your time and effort.

24 THE COURT: You can read it if you like.

25 MR. CANTOR: And, no, I don't need to do it, I

1 don't think. Do I?

2 THE COURT: Okay. I very much appreciate you  
3 taking time out of everything else that you do to put this  
4 together.

5 MR. CANTOR: Yeah, I appreciate the Court giving  
6 us the time.

7 THE COURT: It's very helpful to us here at the  
8 Court in order to anticipate staffing needs and to try to  
9 keep up and keep ahead. So, thank you. Thank you very  
10 much.

11 MR. CANTOR: Thank you, Judge.

12 THE COURT: We'll see you in a couple weeks. All  
13 right. For NIIH, we'll give you some time to get set up, if  
14 you're here, and someone will come and check to see when  
15 you're ready.

16 (Whereupon these proceedings were concluded at  
17 12:12 PM)

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C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing  
transcript is a true and accurate record of the proceedings.

Sonya  
Ledanski Hyde

Digitally signed by Sonya Ledanski  
Hyde  
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Date: June 10, 2015